VZCZCXRO0566
RR RUEHDBU RUEHPW
DE RUEHBUL #0614/01 0751254
ZNR UUUUU ZZH
R 161254Z MAR 09
FM AMEMBASSY KABUL
TO RUEHC/SECSTATE WASHDC 7776
INFO RUCNAFG/AFGHANISTAN COLLECTIVE

UNCLAS SECTION 01 OF 02 KABUL 000614

DEPARTMENT FOR SRAP, SCA/FO, SCA/A, EUR/RPM STATE PASS TO AID FOR ASIA/SCAA USFOR-A FOR POLAD

SENSITIVE SIPDIS

E.O. 12958: N/A TAGS: <u>PGOV</u> <u>AF</u> <u>ECON</u>

SUBJECT: PRT/KUNDUZ - FIBER OPTIC NETWORK REACHES KUNDUZ

Summary

11. (SBU) Minister of Communication and Information Technology Amir Zai Sangin visited Kunduz City March 11 to inaugurate a new fiber optic internet and telephone service in the city. Ministry officials project the portion of the national fiber optic ring leading through the Northeast will eventually connect to Tajikistan's network through the Sher Khan Bandar border point. The new service provides a great opportunity for locals to connect to the internet at home, but its potential will be limited by the price of service and other structural factors such as access to electricity, corruption, and high unemployment.

Governor Welcomes Minister

12. (SBU) Declining a PRT invitation to attend a local shura with visiting German Defense Minister Jung, Kunduz Governor Omar instead welcomed Minister Sangin to the city, hosting a reception at Hotel Kunduz with prominent local elders and officials followed by a ribbon cutting ceremony at local Ministry of Communications and Information Technology (MCIT) offices and a picnic at Dasht-i-Abdan, a popular local kite flying spot. The Minister visited Kunduz to officially inaugurate telephone and internet services offered by the extension of Afghanistan's fiber optic backbone to the city. Sangin then traveled to Taloqan to lay the cornerstone of a new MCIT building, and to Kishim and Feyzabad, to open newly completed MCIT facilities in those cities.

System Capabilities

- 13. (SBU) According to local MCIT Chief Fazil, the new fiber optic voice and internet system in Kunduz City currently has an 8000 line capacity, and may be further extended to 9600. Subscribers must reside within 200 meters of a telephone pole. Poles have so far been raised in the Kunduz City center and the "new city" of Rustaqabad, to the south. For a 3500 Afghanis (\$70) initial fee, subscribers receive a hookup, a telephone and direct connection to the internet. Subscribers are charged one Afghani per minute for in-system calls and four Afghanis per minute for calls outside the service, such as to cell phones. Fazil explained that a credit system will eventually charge 56 Afghanis (\$1) per hour for internet access, but for now the internet service seems to be free of charge. A wireless internet system can also be installed at a flat rate of 2000 Afghanis (\$40) per month. Although the fiber optic service has only been available for a week, Fazil says 300 families have already subscribed and he expects to have 4000 by the end of the year.
- $\P4$. (SBU) When finally completed, the network will be managed by Afghan Telecom. Although the network is currently self-contained and connected internationally via satellite dishes in Kabul, the Pul-i-Khumri/Kunduz spur off the national fiber optic ring is

envisioned to eventually tap into Tajikistan's system via the border crossing at Sher Khan Bandar, providing one entry point of many into a regional grid. In the North and West, the fiber optic ring will connect to Uzbekistan from Mazar-i-Sharif, Turkmenistan via Badghis and Iran through Herat. Fazil understands the cable to Pakistan from Jalalabad should be completed within a month. Running parallel to the North-South highway in Baghlan and Kunduz Provinces, the Kunduz cable was laid at a depth of 1.6 meters with switching hubs every two kilometers. The presence of the cable also allows cities and villages along the path, such as Aliabad in Kunduz Province, to benefit from the system.

Comment

- 15. (SBU) The growth of telephone and communication infrastructure is a true success story in the North, where cell phone service is reliable, internet cafes ubiquitous and the MCIT one of the few seemingly well run and effective line departments. Benefiting from a relatively stable security environment, the local population in the north is well positioned to exploit large scale infrastructure projects such as this. Positive economic effects, however, will be constrained by the other structural factors limiting growth in the north, such as access to reliable and cheap electricity, corruption, and high unemployment.
- 16. (SBU) With an out-of-system charge of four Afghanis, it is unlikely locals from Kunduz will subscribe to the new service for its telephone services, as most people already use cheapand reliable cell phones. Popular internet cafes, powered by local internet service provider "Insta," charge around 50 Afghanis per hour electricity included, making a 56 Afghanis/hour charge

KABUL 00000614 002 OF 002

somewhat expensive. However, women could help drive the widespread adoption of the internet in the home as they generally do not visit the cafes.

WOOD